

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



March 8, 2017

Linda Johnston – Board Chair
Morning Star Sanctuary
P.O. Box 568
Nashville, TN 37116

Dear Ms. Johnston:

Please find attached the monitoring report of the Morning Star Sanctuary relating to the contract it had with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2016.

The Office of Financial Accountability is charged with the responsibility of monitoring grant funds, including Community Enhancement Funds, from Metropolitan Nashville Government to any nonprofit organization. Staff from the Office of Financial Accountability conducted the review on February 22, 2017.

We appreciate the assistance provided by your agency during the course of the review. If you have any questions, please call me at 615-862-6712.

Sincerely,

Kevin Brown

Kevin Brown, CMFO, CICA, CFE
Finance Administrator

cc: John Pugh, Executive Director
Talia Lomax-O'dneal, Director of Finance
Gene Nolan, Deputy Director of Finance

Kim McDoniel, Deputy Director of Finance
Phil Carr, Chief of Accounts
Mark Swann, Internal Audit
Fred Adom, CPA, CGMA, CICA, Director, Office of Financial Accountability
Essie Robertson, CPA, CMFO, CICA, Office of Financial Accountability
Matthew Fouad, Office of Financial Accountability



Metropolitan Government of Nashville and Davidson County

MORNING STAR SANCTUARY

◆ **Monitoring Report** ◆

Conducted by



Office of Financial Accountability

March 8, 2017

MONITORING REPORT

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INTRODUCTION

The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of Morning Star Sanctuary. A monitoring review is substantially less in scope than an audit. The OFA did not audit the financial statements and, accordingly, does not express an opinion or any assurances regarding the financial statements of the Morning Star Sanctuary or any of its component units. The OFA is responsible for the internal monitoring of Metropolitan Government of Nashville and Davidson County (hereinafter referred to as “Metro”) agencies that receive federal and state financial assistance, including cooperative agreements and non-profit organizations that receive appropriations and Community Enhancement Funds from Metro government. In summary, any agreement(s) that imposes performance and/or financial requirements on Metro government is subject to review by the OFA.

The purpose of this review was to assess the agency’s compliance with contractual requirements set forth in the following contract with Metro Government:

Contract	Type	Amount	Contact Term	
L-3435	Community Enhancement Funds	\$81,900	July 1, 2015	June 30, 2016

Agency Background

Morning Star Sanctuary is a private, non-profit entity offering services to victims of domestic violence. The agency maintains an emergency 17-bed shelter providing safety, support, and refuge for victims and their children, who may remain in the shelter for up to 90 days. In addition to the confidential shelter services for victims needing immediate protection, the agency maintains a 24-hour crisis hotline to assist domestic violence victims seeking information, safety planning or housing. Morningstar also offers some extended services, both within the shelter and in the community, such as court advocacy, transitional housing and counseling services. It also offers free weekly support group counseling for domestic violence victims, and a group program for children who were exposed to domestic violence growing up.

OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of our review were:

- 1) To determine whether the agency had the resources and capacity to administer the grant funds.
- 2) To determine if costs and services were allowable and eligible.
- 3) To verify that program objectives were met.
- 4) To test the reliability of the financial and programmatic reporting.
- 5) To verify contractual compliance.

The scope of our review was limited to the contract term July 1, 2015 through June 30, 2016.

The monitoring review procedures included meeting with agency management and staff, reviewing board minutes and obtaining written representations from management. In addition, we examined certain financial records and supporting documentation necessary to ensure compliance with contractual requirements set forth in contract L-3435. Specific procedures included:

- Interviewing the employees responsible for grant management, financial reporting and accountability.
- Reviewing supporting documentation of expenditures for allowability, necessity and reasonableness.
- Reviewing the agency's general ledger and verifying the accuracy of all invoices submitted to Metro.
- Reviewing documentation to determine that funds were used for intended beneficiaries and expended in accordance with the spending plan of the contract.
- Reviewing documentation to support program activities for consistency with grant requirements.
- Assessing the financial stability of the agency and its ability to continue to administer the grant program funded by Metro.

RESULTS OF REVIEW

SUMMARY OF RESULTS

Criteria	Yes	No
Sufficient Resources and Capacity to Administer Funds?	✓	
Costs and Services Allowable and Eligible?	✓	
Program Objectives Met?		✓
Reporting Requirements Met?	✓	
Compliance with Civil Rights Requirements?	✓	

RESULTS OF REVIEW

The overall results of the monitoring review are provided in this section. Results are based on testwork performed and include conclusions regarding specific review objectives and, if applicable, recommendations for improvement and an action plan for implementation. Where applicable, the Findings and Recommendations section of this report provides more insight into any issues identified below.

1. Sufficient Resources and Capacity to Administer Grant Funds

Our review of the agency's accounting system and the qualifications of the individuals assigned to manage the accounting records indicate that the agency possesses the necessary resources and professional expertise to effectively administer the grant funds.

2. Allowable and Eligible Costs and Services

Our review covered all of the core compliance areas identified by 2 CFR Part 200: *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Additionally, the Metro Grants Manual requires separate accounting of the Metropolitan Nashville Government grant funds to prevent co-mingling of Metro Funds with other sources of funding. The agency was in compliance with this requirement. Different revenue classes as well as expenditure classes have been established to separately track the sources and amounts of funding. Also, the agency can easily and accurately report their expenses supported by the Metro grant.

Based on our test work, costs and services during the period were allowable and eligible.

3. Program and Performance Objectives

The contract stipulates that the agency shall use the funds to provide shelter and supportive services with the following outcomes:

- Provide shelter and supportive services to at least 65 adults and 45 children.
At least 55 of 65 adults will be surveyed.

RESULTS OF REVIEW

- At least 50 (90% of 55) adult residents surveyed will be able to identify the resources available to increase self-sufficiency, which is an indicator of a victim's ability to live independent of the abuser.
- At least 900 victims of domestic violence will be assisted with petitions for Order of Protection.
- At least 450 of the 900 victims will be surveyed to determine satisfaction with the services provided.
- At least 400 (89% of 450) surveyed, will report they are satisfied.

Based on our review of program documentation and discussions with staff, not all program performance objectives were met and the agency was not in compliance with contractual program objectives. (See Finding 1 for details)

4. Reliability of Financial and Programmatic Reporting

The contract requires submission of an annual audit report performed by a Certified Public Accountant. The contract also requires the agency to submit to Metro year end reports of the program outcome and a final expenditures report, no more than 45 days after the close of the contract.

We reviewed all applicable financial and programmatic reports required by the contract, including audited financial statements. Based on our review, the agency complied with all financial and programmatic reporting requirements.

5. Civil Rights Requirements

Our review did not reveal anything to indicate that the agency was noncompliant with civil rights requirements. The agency also has necessary written policies and procedures relating to civil rights. The agency has not received any complaints regarding any form of discrimination. Further, civil rights and ADA postings are publicly displayed.

FINDINGS AND RECOMMENDATIONS

1. Program Performance Goals Not Met

Finding

The Morning Star Sanctuary failed to meet one of the agency's contractual program objectives. Per the scope of services, the agency was required to survey at least 450 of the 900 victims to determine satisfaction with the services they were provided. Based upon documentation provided, the OFA determined that the agency surveyed 391 victims and not the 450 as required by the grant contract.

Recommendation

The Morning Star Sanctuary should take the necessary steps to ensure that program objectives are met and adequately documented. The agency should further ensure that program participants complete the necessary surveys.

Corrective Action Plan Required

Please submit a corrective action plan indicating the actions the agency intends to take to correct the findings identified in this report. The corrective action plan should be submitted within 14 days from the report date to the address below:

Division of Grants Coordination
PO Box 196300
Nashville, TN 37219
ATTN: Vaughn Wilson